FURNITURE MANUFACTURING AS A BUSINESS:

SOME BEST PRACTICES

FACILITATOR'S GUIDE TO THE VIDEO

University of Technology Entrepreneurial Extension Centre 237 Old Hope Road Kingston 6, Jamaica

Financed by:

United States Agency for International Development/Jamaica Contract PCE-0406-I-00-6012-00; Delivery Order Two

1998

Produced by:

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A. BACKGROUND INFORMATION

1. PURPOSE

This guide was prepared to provide information on how to use the furniture manufacturing video as a training tool in a group training session. This step-by-step guide is intended to help facilitators to structure discussion so that individuals viewing the video are able to remember key points and put them into practice in their own businesses.

The purpose of the video is to demonstrate to owners and operators key practices which lead to growth and success in a small scale restaurant. These practices are illustrated in the video through interviews with real furniture manufacturers filmed at their businesses. The video is based on research into the experiences of many owners of furniture manufacturing businesses throughout Jamaica.

The "Participant's Guide to the Video: Furniture Manufacturing As A Business" was prepared to accompany this facilitator's guide. The Participant's Guide is intended to help video viewers to remember the main points from the video and encourages them to take notes and to set their own goals for implementing best practices in their own businesses.

2. STRUCTURE

This guide consists primarily of a series of questions to be asked of training participants. Facilitators are instructed to stop the video at specific points, giving them an opportunity to engage participants in discussion and analysis of what they have seen in order to help them to process and retain the information shared in the video. The questions are written in bold type to enable facilitators to easily locate and read them. Participant responses are noted on flip chart paper so that a visual record of the session is formed, and to permit additional information to be added on each topic as participants view subsequent portions of the video.

One of the tasks of the facilitator is to adopt this guide to the needs of the individual participants in a specific training session. The needs of particular groups will vary based on their characteristics, including business size, time in business, geographic location, and the participants' ability to quickly learn and grasp new ideas. The facilitator can choose to allow more time for discussions which arise during the training, or to pursue topics which are not referred to in the video but are of particular interest to the participants. Questions can be asked in a different order than that presented in the guide, or less emphasis may be placed on some topics.

3. MATERIALS

To carry out the training session described in this guide, facilitators need:

- VCR and television
- A copy of the "Participant's Guide to the Video: Furniture Manufacturing As A Business" for each participant
- Flip chart paper and markers

4. TIME

The training session described in this guide requires approximately 2.5 hours.

5. PREPARATION

Facilitators should view the video prior to teaching the training session to insure that they understand the points that are made and know where to stop the video each time.

Before the session, write the following titles on pages of flip chart paper, one to a page:

IDENTIFY YOUR MARKET
GROWTH STRATEGY
PRODUCT QUALITY
QUALITY CONTROL
DESIGN
EMPLOYEE HIRING AND TRAINING
INCENTIVE SYSTEMS
PUNCTUAL DELIVERY
OWNER TRAINING

Each page should be posted somewhere in the training room where it can be written on during the session and is visible to all participants. Facilitators should also prepare copies of the participant's guide for each participant.

B. SESSION DETAIL

STEP 1: INTRODUCTION

Before beginning to view the video, the facilitator should make sure that all participants are comfortable participating in the session and are motivated to learn. If appropriate, participants should introduce themselves to each other and to the facilitator. Tell participants that the video is based on the experiences of many furniture manufacturers, and that by learning from them they may be able to avoid making mistakes and to find new ways to succeed.

Distribute the participant's guide and briefly review its contents with the group. Explain that they will be looking for and discussing best practices in the categories listed on the flip chart posted around the walls; show them where the same categories are listed in the participant's guides. Encourage participants to make notes in their guides in the space provided on pages 3-5, and to add ideas generated during the session to the checklist on pages 1-2.

Time for this step: 15 minutes

STEP 2: VIEWING THE VIDEO

Turn on the video and have participants watch the introduction and then Mr. Grant's presentation. Turn off the video at the end of his interview, when the screen fades to black after he says "You generate a lot of joy from that."

Time for this step: 10 minutes

STEP 3: DISCUSSION

Remind participants that Mr. Grant discussed many important areas, and explain that the group will be

discussing some of them now and some later. Say that his comments can be grouped into best practices in the broad areas of Growth Strategy, Market, Product Quality and Quality Control.

- a. Ask "What strategy did Mr. Grant follow for starting up his business?" and note answers on the flip chart titled "Growth Strategy". Answer should refer to the influence of a relative who saw his talent. He started small, making one piece for one customer with only a few tools. The customer mentioned his work to a friend, who helped Mr. Grant get a loan for machinery. He noted that this did not require a lot of money and it was not an overnight process.
- b. Ask "Where does Mr. Grant market his products?" and note answers on the flip chart titled "Identify Your Market". Answer should be primarily through local furniture retailers, but he also prepares custom work for individuals. Ask "How did he identify his market?" Someone suggested he talk directly with the stores and they eventually accepted his product. Ask "What strategy did Mr. Grant use to get into the retail store market?" Answer should be that he visited them himself, which he said took courage. He also lowered his prices initially to get his first orders.
- c. Ask "What did Mr. Grant suggest with respect to quality?" and note answers on the flip chart titled "Product Quality". Answer should include that he emphasized the quality of wood used in production. He also noted that each store requires products of a certain quality with a particular finish (sheen and color). The product must meet their standards and be consistent.
- d. Say that Mr. Grant also spoke about quality control. Ask "How does he insure that products are of high quality?" and note answers on the flip chart titled "Quality Control". Answer should be that Mr. Grant mentioned being there to supervise and communicate during production, checking the product at key steps, and helping workers to understand what the customer wants.

Say that they will return to some of these topics and others after watching another portion of the video.

Time for this step: 20 minutes

STEP 4: VIEWING THE VIDEO

Turn on the video and have participants watch the presentation by Mr. Hamilton. Turn off the video at the end of his interview when the screen fades to black, after he says "It's exciting, it's at the front of technology, advancing, and that gives me a buzz."

Time for this step: 10 minutes

STEP 5: DISCUSSING THE VIDEO

Say that now they are going to discuss additional ideas brought up by Mr. Hamilton.

- a. Ask "Can you describe Mr. Hamilton's market?" Answer should be that because he produces typical products made of an unusual raw material, his furniture is purchased by very specific groups and individuals, including foreigners (export), young people, ecologically-minded people and the tourist industry. Ask "How did he identify this market?" Note answers on the flip chart titled "Market". Ask participants "How did you identify your market? What would you do differently now?"
- b. Ask "What suggestions did Mr. Hamilton make about design?" and note answers on the flip chart titled "Design". Answer should include that they created designs based on furniture he had seen elsewhere; tailor made furniture for different customer's tastes, using varying styles and sizes of bamboo;

and designed pieces that customers could assemble at home.

c. Say that Mr. Hamilton also spoke about insuring quality by paying special attention to raw materials. Ask "What did Mr. Hamilton say about his raw materials?" and note answers on the flip chart titled "Product Quality". Answer should include that they treated the bamboo to protect against bugs, and planned to insure a consistent supply of raw materials. Say that they will return yet again to the topic of quality.

Time for this step: 20 minutes

STEP 6: VIEWING THE VIDEO

Turn on the video and have participants watch the presentation by Mr. Locke. Turn off the video at the end of the program, after the final comments and credits.

Time for this step:10 minutes

STEP 7: DISCUSSING THE VIDEO

Say that now you are going to discuss additional ideas and topics brought up by Mr. Locke.

- a. Say that Mr. Locke's market is different from that of Mr. Grant and Mr. Hamilton. Ask "Who are Mr. Locke's customers?" and note answers on the flip chart titled "Market". Answer should be that Mr. Locke produces cabinets, windows and doors for local contractors, as well as producing for individuals. Remind participants than an important part of marketing is knowing what the customer wants. Mr. Locke reminded us of this when he says that the owners and customer must understand each other. Ask participants "Can you compare the advantages and disadvantages of each of the markets we have seen?" Take notes from the discussion on a separate flip chart page.
- b. Ask "Do you remember how Mr. Locke got training in his business?" His father was a carpenter, so he learned as a child, and supplemented his hands-on experience with technical training. Ask "How does this compare with Mr. Grant's training?" He worked for three companies before starting his own business. Note both on the flip chart titled "Owner Training". Remind participants that they can find information on sources of training as well as other resources on the last page of the participant's guide.
- c. Mr. Locke has a particular philosophy about designing new products. Ask participants" What did he say about design?" and note answers on the flip chart titled "Design". Answer should include: continuously design new products in order to keep the product "fresh", and remember that design is essential to the business.
- d. Say that next they will be discussing Mr. Locke's suggestions about producing quality products. Ask "What did Mr. Locke say about product quality?" and note participant answers on the flip chart titled "Product Quality". Answer should include preparing the surface by sanding, avoiding particles in the air while varnishing, hiring workmen who are skilled and take pride in their work, and using sharp tools. Ask participants "What else contributes to a high quality product?" Note answers on the flip chart. Ask "Why is product quality important?"
- e. Ask "What key points did Mr. Locke make about hiring and training workers?" and note answers on the flip chart titled "Hiring and Training Employees". Answer should include that he hires individuals who are literate, can do basic math, and are technically skilled. With respect to training, he gives them a sense of responsibility, helps them understand that doing good work is in their own interest (see

"Incentives" below), and sets and enforces quality standards.

- f. Ask participants "Can you describe Mr. Locke"s incentive system?" noting their responses on the flip chart tiled "Incentives". Answer should include: he does not pay for work that is not up to par; he provides a small incentive at the end of each job; he gives them a percentage at the end of the year as a bonus; his pay scale is fair, and he tries to insure a steady flow of work. Ask "In comparison, do you remember Mr. Grant's approach to incentives?" Answer should refer to the way he treats his employees; they help each other out like a family. Ask "What other incentives can you offer to employees?" noting answers on the flip chart. Ask "Why are incentives important?" Answer should include that it helps retain qualified employees and motivates them to do good work.
- g. Ask participants "What did Mr. Locke and Mr. Grant suggest about delivering work on time?" and note answers on the flip chart titled "Punctual Delivery". Answer should include: be reliable; set realistic deadlines (don't agree to something you can't do); be sure employees are aware of deadlines and motivated to meet them; and communicate with customers about setbacks.
- h. Ask "Do you have other experiences or ideas you would like to add to the discussion on any of these topics, or any other topics you would like to discuss?" Note their responses on the appropriate flip chart, or create new flip charts if needed.

Time for this step: 50 minutes

STEP 8: SETTING GOALS

Emphasize that an important part of any training is practicing what has been learned, and explain that they should practice these ideas in their own businesses. In order to help participants focus on what to practice, ask them to spend 10 minutes noting down their own goals with respect to each of the categories discussed. "What do you want to accomplish or implement in your own business, based on what you have learned today? When do you plan to accomplish each goal?" Remind them to be specific and realistic. Ask them to note their own goals and timeline for achieving them in the space provided in the participant's guide pages 3-5.

Tell participants that they probably will not have time during the session to make final decisions about goals in each area, and that they should complete the work at home. Suggest that they keep the Participant's Guide at hand so they can consult it frequently; perhaps they can post the checklist (pages 1-2 of the guide) where they will see it every day as a reminder.

Ask if 2 or 3 participants are willing to share some of their goals with the rest of the group.

Time for this step: 20 minutes

STEP 7: CLOSING

Ask if participants recall what Mr. Locke, Mr. Grant and Mr. Hamilton said about why they choose to be self employed. Ask participants to talk about why they are self-employed, and why they chose furniture manufacturing as a business.

Time for this step: 15 minutes

PARTICIPANT'S GUIDE TO THE VIDEO

FURNITURE MANUFACTURING AS A BUSINESS: **SOME BEST PRACTICES**

"It's how much you put into it, and the love you put into it...whatever you do make sure that you're doing it to the best of your ability...It's not going to take overnight to get there, it's going to take a lot if time and it's going to take a lot of hard work." (Mr. Grant)

A. KEY BEST PRACTICES

Ask yourself whether you are implementing the best practices suggested in the video in the following key areas:

□IDENTIFY YOUR MARKET
_Individuals
_Retail stores
_Contractors
_Export
_Tourist industry
_Know what your customer wants
_Other:
□GROWTH STRATEGY
Start small
_Gradually add machines and workers
_Borrow to invest in business
_Regularly come up with new ideas and strategies
_Expect growth to take time
_Other:
□PRODUCT QUALITY
_Attractive finish: well sanded; smooth surface
_Keep a clean environment while varnishing
_Employ skilled workmen who take pride in their work
_Use sharp tools
_Use quality materials
_Stores have their own standards and products must be consistent
_Insure a consistent supply of raw materials
_Other:

QUALITY CONTROL

- Be there to supervise and communicate
- _Check quality at key steps in the production process
- Help workers understand what the customer wants
- _Don't pay for work that doesn't meet standards
- Other:

□ DESIGN

- Remember that design is essential to business
- _Continuously create new designs
- _Copy other designs as a starting point
- _Tailor make products to different customer's tastes
- Other:

□EMPLOYEE HIRING AND TRAINING

- Hire individuals with experience
- _Hire individuals who are literate and numerate
- Train employees to meet standards of the business
- _Give employees a sense of responsibility
- _Other:

□INCENTIVE SYSTEM

- Provide a small incentive at the end of each job
- _Give a percentage a the end of the year as a bonus
- _Use a fair pay scale
- Keep a steady flow of work
- _Create a nurturing environment: treat employees as a family
- _Other:

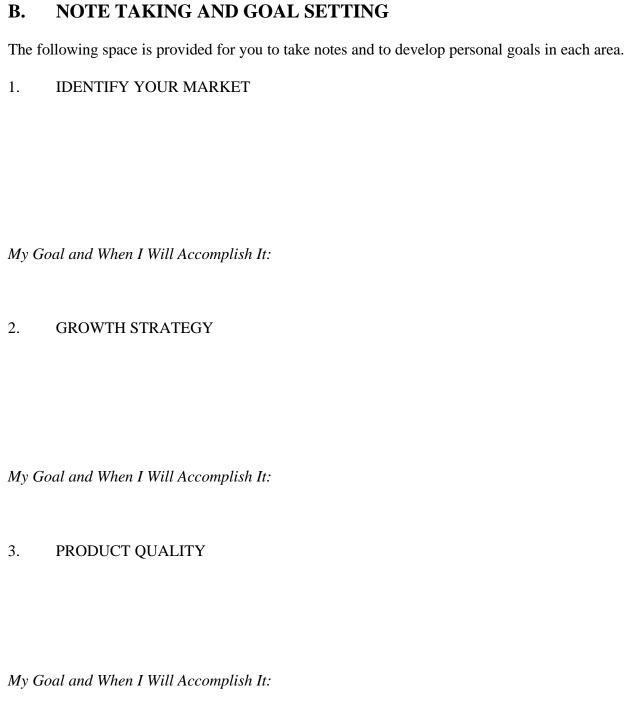
□PUNCTUAL DELIVERY

- Reliability is important
- _Set realistic deadlines
- Be sure employees are aware of deadlines
- _Communicate with customer about setbacks
- Other:

□OWNER TRAINING

- Apprenticeship: learn about furniture manufacture from an established carpenter or factory
- Importance of both business administration and technical training
- _Other:

I don't think it's harder working for yourself, it's just how much time you intend on spending on
your own business. It has to be more than just a 9 to 5 because it's your business and you have to
know what you want from it. It's just a love for my job; that's what keeps me going. (Mr. Locke)



4. QUALITY CONTROL

My Goal and When I Will Accomplish It:
5. DESIGN
My Goal and When I Will Accomplish It:
6. EMPLOYEE HIRING AND TRAINING
My Goal and When I Will Accomplish It:
7. INCENTIVE SYSTEMS

My Goal and When I Will Accomplish It:
8. PUNCTUAL DELIVERY
My Goal and When I Will Accomplish It:
9. OWNER TRAINING
My Goal and When I Will Accomplish It:
"You call it a labor of love I suppose. Your own business, your own satisfaction when the product goes through, your own timepeople always say you work twice as hard if you're working for yourself, which is true, but I've found that I love work and I love the work I am doing." (Mr. Hamilton)

C. RESOURCES

TRAINING FOR FURNITURE MANUFACTURING

HEART NTA
Portmore Academy
P.O. Box 70
Waterford, St. Catherine

Tel: 988-2405-6

JAMPRO Productivity 35 Trafalgar Road Kingston 5 Tel: 929-9450

Bureau of Standards Furniture Department 6 Winchester Road Kingston 10

BUSINESS MANAGEMENT TRAINING

JAMPRO Entrepreneurial Centre 8 Waterloo Road Kingston 10

University of Technology Entrepreneurial Extension Centre 237 Old Hope Road Kingston 6

Jamaican Institute of Management 47 Hope Road Kingston 10

LITERATURE

"Business Opportunity and Best Practices Profile for Furniture Manufacturers" Available from Entrepreneurial Extension Centre, University of Technology The National Development Foundation of Jamaica (NDFJ)
22B Old Hope Road
Kingston 5

Self Start Fund 4 South Odeon Avenue Kingston 10

Enterprise Development Trust (EDT) 10 East Avenue Kingston 4

Credit Unions

STANDARDS

The Bureau of Standards Furniture Department 6 Winchester Road Kingston 10

Tel: 2603140-6

SOURCE OF LOANS